



February 20, 2007

## HOUSE BILL No. 1820

DIGEST OF HB 1820 (Updated February 19, 2007 7:58 pm - DI 114)

**Citations Affected:** IC 5-10.

**Synopsis:** State employee deferred compensation plan. Provides that after 30 days of employment with the state a state employee is automatically enrolled in the deferred compensation plan unless the employee notifies the state otherwise. Requires the auditor of state to provide notice of certain items in a state employee's first paycheck. Requires the state to deduct from an employee's compensation as a contribution to the state deferred compensation plan an amount equal to the maximum amount matched by the state, unless the employee affirmatively chooses to contribute a different amount or zero. Requires the deferred compensation committee to adopt rules to implement this requirement.

**Effective:** July 1, 2007.

**Klinker, Buell, Battles, Pond**

January 26, 2007, read first time and referred to Committee on Ways and Means.  
February 20, 2007, amended, reported — Do Pass.

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HB 1820—LS 7652/DI 102+



February 20, 2007

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## HOUSE BILL No. 1820

A BILL FOR AN ACT to amend the Indiana Code concerning pensions.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10-1.1-3.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2007]: **Sec. 3.5. (a) This section applies to an**  
4 **individual who becomes an employee of the state after June 30,**  
5 **2007.**

6 **(b) Unless an employee notifies the state that the employee does**  
7 **not want to enroll in the deferred compensation plan, on day**  
8 **thirty-one (31) of the employee's employment:**

9 **(1) the employee is automatically enrolled in the deferred**  
10 **compensation plan; and**

11 **(2) the state is authorized to begin deductions as otherwise**  
12 **allowed under this chapter.**

13 **(c) The auditor of state shall provide written notice to an**  
14 **employee of the provisions of this chapter. The notice provided**  
15 **under this subsection must:**

16 **(1) be provided:**

17 **(A) with the employee's first paycheck; and**

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- 1 (B) on paper that is a color that is separate and distinct  
 2 from the color of the employee's paycheck;  
 3 (2) contain a statement concerning:  
 4 (A) the purposes of;  
 5 (B) procedures for notifying the state that the employee  
 6 does not want to enroll in;  
 7 (C) the tax consequences of;  
 8 (D) the details of the state match for employee contribution  
 9 to;  
 10 the deferred compensation plan;  
 11 (3) list the telephone number, electronic mail address, and  
 12 other contact information for the auditor of state, who serves  
 13 as plan administrator.  
 14 (d) Notwithstanding IC 22-2-6, except as provided by subsection  
 15 (c), the state shall deduct from an employee's compensation as a  
 16 contribution to the deferred compensation plan established by the  
 17 state under this chapter an amount equal to the maximum amount  
 18 of any match provided by the state on behalf of the employee to a  
 19 defined contribution plan established under section 1.5(a) of this  
 20 chapter.  
 21 (e) An employee may contribute to the deferred compensation  
 22 plan established by the state under this chapter an amount other  
 23 than the amount described in subsection (d) by affirmatively  
 24 choosing to contribute:  
 25 (1) a higher amount;  
 26 (2) a lower amount; or  
 27 (3) zero (0).  
 28 (f) The deferred compensation committee established by section  
 29 4 of this chapter shall adopt rules under IC 4-22-2 that it considers  
 30 necessary or appropriate to implement this section.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1820, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 5 and 6, begin a new paragraph and insert:

**"(b) Unless an employee notifies the state that the employee does not want to enroll in the deferred compensation plan, on day thirty-one (31) of the employee's employment:**

**(1) the employee is automatically enrolled in the deferred compensation plan; and**

**(2) the state is authorized to begin deductions as otherwise allowed under this chapter.**

**(c) The auditor of state shall provide written notice to an employee of the provisions of this chapter. The notice provided under this subsection must:**

**(1) be provided:**

**(A) with the employee's first paycheck; and**

**(B) on paper that is a color that is separate and distinct from the color of the employee's paycheck;**

**(2) contain a statement concerning:**

**(A) the purposes of;**

**(B) procedures for notifying the state that the employee does not want to enroll in;**

**(C) the tax consequences of;**

**(D) the details of the state match for employee contribution to;**

**the deferred compensation plan;**

**(3) list the telephone number, electronic mail address, and other contact information for the auditor of state, who serves as plan administrator."**

Page 1, line 6, delete "(b)" and insert "(d)".

Page 1, line 13, delete "(c)" and insert "(e)".

Page 1, line 15, delete "(b)" and insert "(d)".

Page 2, line 3, delete "(d)" and insert "(f)".

and when so amended that said bill do pass.

(Reference is to HB 1820 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 21, nays 0.

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